

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 15, 2007

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3314 by Keffer, Jim (Relating to administration, collection, and enforcement of state taxes; providing penalties.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend various provisions of the Tax Code and Property Code relating to the administration, collection and enforcement of state taxes.

The bill would add Section 111.0102 to the Tax Code to specify Travis County district courts as the venue and jurisdiction for any tax suit in connection with collection actions taken by the Comptroller.

The bill would amend Section 111.016 to add a statutory presumption that a taxpayer has actually collected taxes when the taxpayer has filed a return showing tax due and would add situations in which the statute of limitations could be stayed for personal liability actions.

The bill would amend Section 111.017 to impose a criminal penalty (Class A misdemeanor) for interference, trespass, or theft against seized property.

The bill would amend Section 111.021 to impose a penalty in an amount equal to 50 percent of the amount sought to be frozen or levied and to impose a criminal penalty (Class A misdemeanor) on those entities that did not honor a freeze or levy.

The bill would add Section 111.0511 to prohibit restricted or conditional payments to the Comptroller.

The bill would add Section 111.0611 to make individual officers, managers, and directors of business entities personally liable for fraudulent tax evasion.

The bill would amend Section 113.106 by setting a deadline for bringing a suit to determine the validity of a state tax lien and to create a rebuttable presumption regarding the receipt of proper notice of tax liability.

The bill would add Section 152.0472, relating to seller-financed motor vehicles, to state that a seller is not considered to have factored, assigned, or transferred a loan when the loan is pledged as collateral for the sale of bonds and nonpayment risk remains with the seller.

The bill would amend Section 162.004 of the Tax Code to require a motor fuel transportation document when motor fuel originated from other than a terminal rack or bulk plant rack and to clarify that a shipping document is not required for motor fuel transported in the supply tank of a motor vehicle.

The bill would add Section 183.024 to the Tax Code to make an individual, officer, manager, or director of a mixed beverage permittee personally liable for fraudulent tax evasion.

The bill would amend Section 183.053(b) to raise the maximum amount of a mixed beverage tax bond to mirror the current sales tax bonding procedures. Under current law, sales tax bonds are assessed at

four times the amount of the monthly tax liability.

According to the Comptroller of Public Accounts, the provisions of this bill would enhance the collection and enforcement of state taxes, clarify current law, or conform to current practice and would have no fiscal impact.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2007.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, CT, EB, SD